

Latest Market Development

Wholesale Prices for India as an average for second week of February traded firmed by 4.37% and are currently hovering at Rs.2980-2985/quintal. Agriwatch expects non-basmati rice market to move range bound with firm tone in coming week.

Wholesale basmati rice prices in the national capital have declined this week due to a slackened demand from retailers. Prices currently hover in the range of Rs.41-4200 for 1121 sella and Rs.5100-5150 for steam. Overall basmati rice is expected to trade range bound in coming weeks.

Total rice exports for MY-2016-16 till January-16 was 38.76 Lakh tons around 9.43% lower than 42.8 lakh tons exported during corresponding period of last year. Non- basmati rice exports in the month of January was 5.00 lakh tons and basmati exports in the month was 3.08 lakh tons.

Total Rice exported from India in the first week of February was 164672.13 tons out of which basmati rice contribute 36.49%, and non-basmati rice is 63.50% in this period with quantity of around 60096.62 tons and 104575.51 tons respectively as per latest data extract from IBIS.

As per preliminary reports received from the States, the total area sown under Rabi crops as on 28th January, 2015 stands at 591.51 lakh hectare. Wheat has been sown/transplanted in 292.52 lakh hectares, pulses in 139.08 lakh hectares, coarse cereals in 60.08 lakh hectares & Rice is 22.41 lakh hectares against 24.08 lakh hectares in 2014-15.

In KMS 2015-16, FCI and other state agencies has procured about 24.94 million tons of Rice which is up by 19.16% from last year as of February-05-2016. Punjab, Haryana and Chhattisgarh are the main contributors with contribution of 49%, 15% and 12% respectively.

IPAB (Intellectual Property Appellate Board) has directed Chennai based assistant registrar to start registration of a GI indication for basmati rice. Notably APEDA had demanded to mark basmati as GI. Now with this direction, basmati produced in Punjab, Haryana, Himachal Pradesh and Uttarakhand and some parts of Uttar Pradesh and Jammu & Kashmir will get the geographical Identification tag.

The Appellant Authority has asked the registrar to reconsider the matter related to inclusion of uncovered area too including Madhya Pradesh .Two petition received from Pakistan has been dismissed. A GI tag is issued for agricultural, natural or manufactured goods that have a given quality, reputation or other characteristics attributable to its geographical origin

India's rice stocks in the central pool as on February 1, 2015 stood at around 28.94 million tons down by about 6.58% from around 30.98 million tons recorded during the corresponding period last year, according to data from the Food Corporation of India (FCI). India's rice stocks in the central pool are up about 11.22% from around 26.02 million tons recorded on January 1, 2015. The current rice stocks are about one million tons more than the required strategic reserve norms of around 10.25 million tons for this time of the year, according to the FCI.

In the winter season, weekly Rainfall for the country as a whole during the week 28th January, 2016 to 03rd February, 2016 was 72% lower than Long Period Average (LPA). Rainfall (% departure from LPA) in the four broad geographical divisions of the country during the above period was lower by 96% in East & North East India, 57% in North West India, 99% in Central India and 70% in South Peninsula.

State wise Wholesale Prices weekly for 02nd Week of February-2016

State	Prices 09-15 Feb 2016	Prices 01-08 Feb 2016	Prices 09-15 Feb 2015	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	5935.88	4656.58	3735.61	27.47	58.9
Assam	3176.03	3141.61	3035.75	1.1	4.62
Gujarat	2786.63	2754.61	2822.78	1.16	-1.28
Jharkhand	2519.55	2582.36	2535.02	-2.43	-0.61
Karnataka	4132.61	3926.48	3523.01	5.25	17.3
Kerala	3082.43	3094.55	3113.8	-0.39	-1.01
Maharashtra	3034.37	3184.7	3385.32	-4.72	-10.37
Manipur	2710.46	2611.88	2781.56	3.77	-2.56
Meghalaya	3407.81	3341.05	3097.18	2	10.03
Orissa	2223.85	2186.37	2145.43	1.71	3.66
Telangana		2610.5	3096.49	—	—
Tripura	2394.98	2448.12	2549.39	-2.17	-6.06
Uttar Pradesh	2124.55	2107.84	2041.5	0.79	4.07
Uttarakhand	2027.76	2057.27	1915.91	-1.43	5.84
West Bengal	2229.23	2190.77	2335.02	1.76	-4.53
Average	2984.72	2859.65	2807.58		

Source agmarknet

Price Projection for February 03rd Week in Domestic Market

Duration	Trend	Average Price Range	Reason
03 rd Week of February, 2016	Steady to Firm	Rs.2850-2950/Q	Average Rice price in all India is likely to trade firm due to lower carry over stock, lower production prospects and normal demand.

Weekly Price Change of 1121 Steam, Raw and Sella Rice Price Delhi Market (Figure: in Rs. /Quintal)

1121 Steam, Raw and Sella Rice Price Delhi Market					
Variety	13 Feb 2016)	06 Feb 2016)	Month Ago(13 Jan-2016)	% ch. From last week	% Change from last Month
1121 Steam	5000	5050	5350	-0.99	-6.54
1121 Sella	4000	3950	4350	1.27	-8.05
1121 Raw	5400	5400	5100	0.00	5.88

Weekly Price (FOB) Change of Rice 5% broken high quality (Figure in USD/ MT):

Indian White Rice 5%, 25% High Quality, Long grain parboiled 5%					
Variety	13 Feb 2016)	06 Feb 2016)	Month Ago(13 Jan-2016)	% ch. From last week	% Change from last Month
White Rice 5%	370	370	365	0.00	1.37
White Rice 25%	335	335	335	0.00	0.00
Parboiled 5%	360	360	355	0.00	1.41

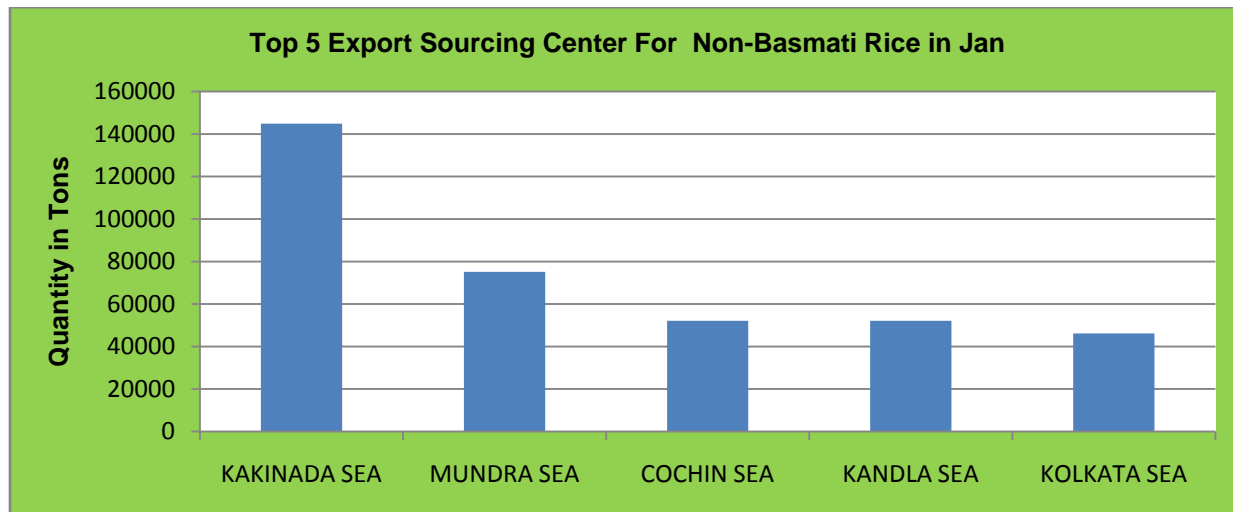
Major Importers of Basmati & Non Basmati Rice in the 1st Week of Feb(1-7 Feb-2016)

Non Basmati Rice Importers			Basmati Rice Importers		
Country	Quantity(Tons)	Average of FOB \$/Tonne	Country	Quantity(Tons)	Average of FOB \$/Tonne
SENEGAL	15220.00	262.38	SAUDI	16167.33	1031.89
LIBERIA	15000.00	348.92	U A E	10977.68	795.36
BENIN	9319.00	336.98	IRAN	7152.77	677.64
U A E	5447.53	623.82	YEMEN	4590.96	744.27
IVORY COAST	5338.00	327.23	U S A	2175.12	767.47
BERBERA	4966.00	340.01	IRAQ	1981.48	648.73
DJIBOUTI	4670.68	338.12	U K	1531.69	835.98
TURKEY	3546.00	342.89	KUWAIT	1446.09	745.36
SAUDI	3209.39	551.19	SYRIA	1438.00	669.40
S.AFRICA	2851.21	342.41	BAHRAIN	1123.14	960.77
Others	35007.70	520.76	Others	11512.37	754.93
Grand Total	104575.51	482.37	Grand Total	60096.62	829.91

Total Rice exported from India in the first week of February was 164672.13 tons out of which basmati rice contribute 36.49%, and non-basmati rice is 63.50% in this period with quantity of around 60096.62 tons and 104575.51 tons respectively as per latest data extract from IBIS. Major importers of Indian Basmati rice in this period were, Saudi, UAE & Iran. We expect Middle East countries to remain the major basmati buyers of Indian

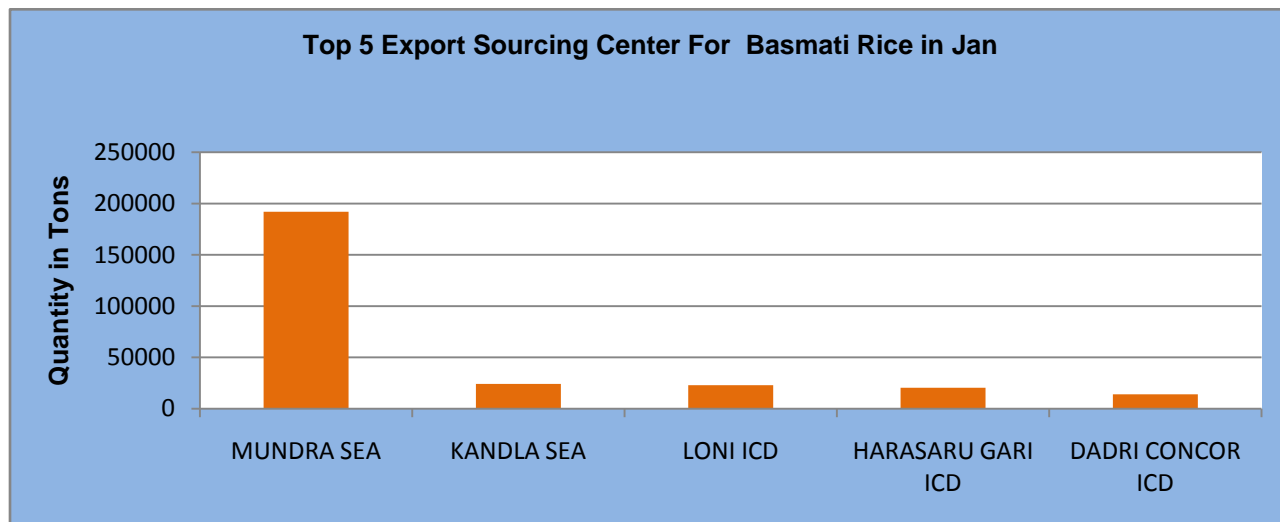
Basmati from Mundra, Kakinada and Kandla Port in coming months. Major non basmati importers were Senegal, Liberia and Benin.

Major Non-Basmati Export Sourcing Center



Total non-basmati Rice export in the month of January was 500495.44 tonnes. Kakinada Sea, Mundra, and Cochin were the major ports for non-basmati rice export during this period.

Major Basmati Export Sourcing Center



Total basmati Rice export in the month of January was 308429.99 tons. Mundra Sea, Kandla Sea and Loni ICD, were the major port for basmati rice export center during this period.

State wise Progressive Procurement

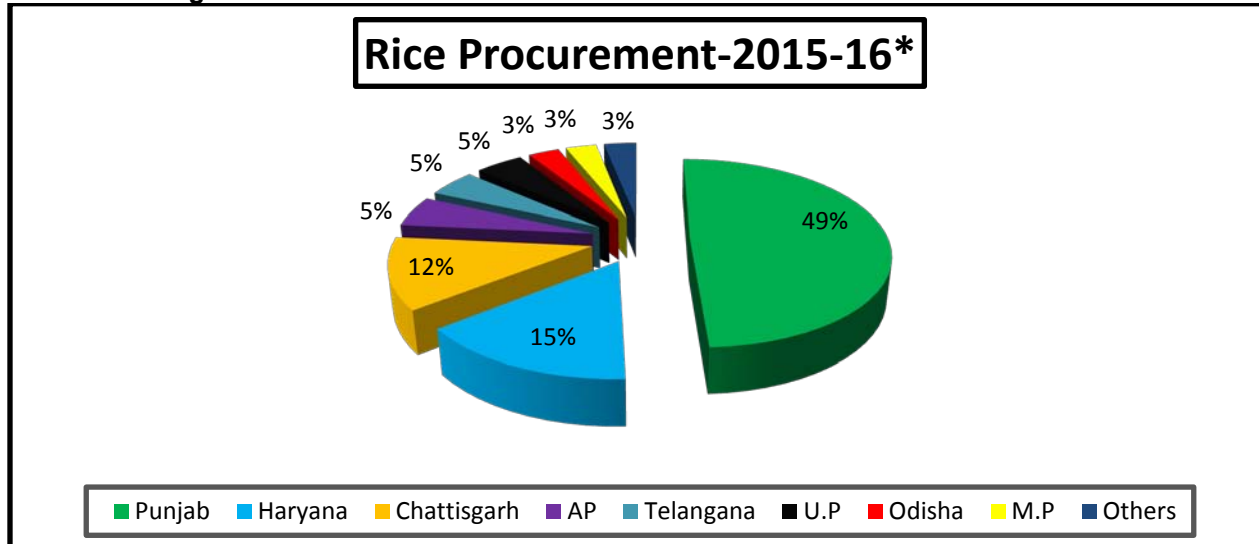
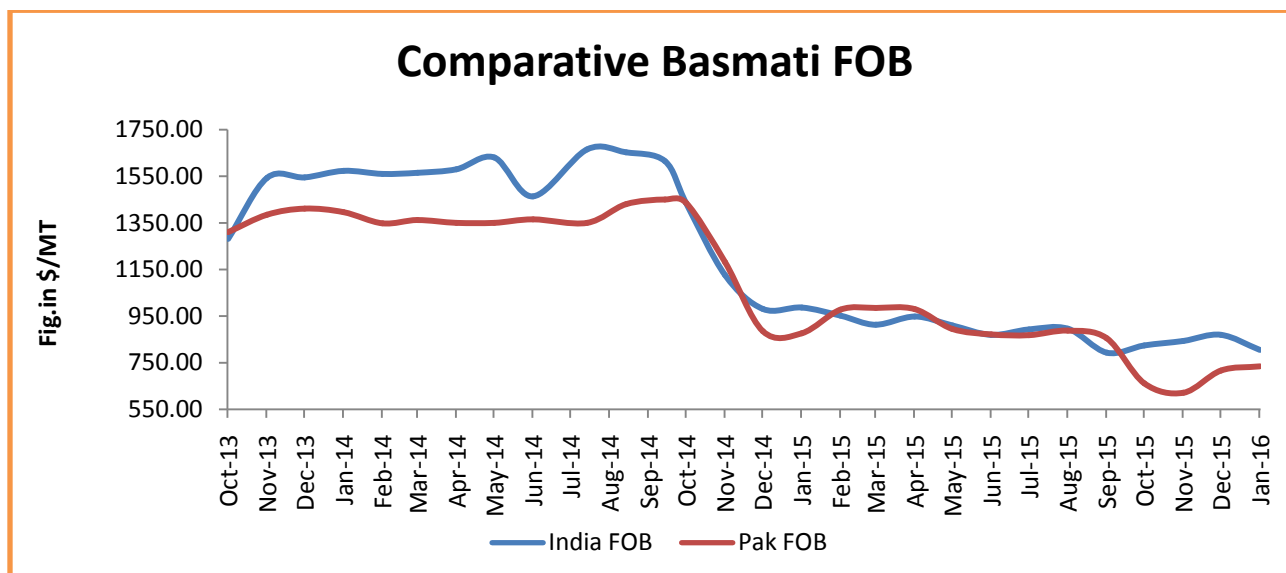


Figure in Million Metric Tonnes

Source: FCI

Government's rice procurement has increased 25% to 24.47 million tons in the 2015-16 marketing year so far despite prospects of lower production due to poor monsoon. The Centre has kept rice procurement target of 30 million tons for the current marketing year, which started in October. These agencies had procured 19.66 million tons in the year-ago, while the total purchases had reached 32 million tons. At present, procurement has been completed in Punjab and Haryana, while the operations are in full swing in Uttar Pradesh, Chhattisgarh, Andhra Pradesh and Telangana. As per the government's latest data, rice procurement in Uttar Pradesh has risen to 2.15 million tons so far this year as against 1.15 million tons in the year-ago period. Procurement in Chhattisgarh increased to 3.72 million tons from 2.86 million tons, while that of Andhra Pradesh has increased to 1.92 million tons from 1 million tons in 2014. Rice purchase in Telangana was lagging behind at 0.99 million tons so far this year as against 1.48 million tons in the same period of the 2014-15 marketing year. In Punjab, rice procurement increased to 9.34 million tons from 7.7 million tons, while that of Haryana jumped to 2.85 million tons from 2.01 million tons in the period under the review.

FOB Quotes Aromatic Rice (1121 Steam)



Source-FAO& Agriwatch

Indian FOB for 1121 steam in the month of January moved down from last month and currently is in the range of USD 805-810/MT which is down by around 7.43% from last month price. Average basmati rice price decline due to slackened demand from retailers against adequate supply pushed the price in southward direction. Pakistani basmati price has increased from USD 716/MT to 734\$/MT, according to the UN's Food and Agriculture Organization (FAO). Currently Pakistani basmati FOB is hovering in the range of USD 716/MT which is up by 2.47% from last month FOB of USD 716/MT.

Global Updates

According to the Thai Custom Department, rice export totaled 9.8 million metric tons in 2015, down 11 percent from 2014 due mainly to a reduction in parboiled rice exports. Parboiled rice exports totaled around 2.2 million metric tons, down 30 percent from last year. This reflected a sluggish demand from Nigeria which is the largest importer of Thai parboiled rice. Exports of parboiled rice to Nigeria declined to 0.6 million metric tons, down 50 percent from last year. Meanwhile, white rice exports totaled around 5.6 million metric tons, down 3 percent from last year due to competition from Vietnam. Export prices of Vietnamese rice were 7 percent cheaper than Thai rice. Most of white rice exports are old-crop rice from the Government stocks. In 2015, the Government sold its rice stocks of around 4 million metric tons, mainly for exports to African countries. Export prices of old-crop white rice from the government stocks were approximately 10 percent lower than market prices.

The EU imported about 496,804 tons of rice during the period September 1, 2015 February 02, 2016, up about 18% from around 422,639 tons imported during the period last year. Japonica rice imports declined about 6% to around 36,092 tons in September 1, 2015 February 02, 2016 period from around 38,304 tons during the corresponding period last year. Indica rice imports increased about 20% to around 460,712 tons from around 384,335 tons during the corresponding period last year. The UK remained the largest importer in September 1, 2015 February 02, 2016 period with around 118,198 tons followed by France (86,807 tons), The Netherlands (57,261 tons), Germany (37,654 tons), Poland (36,136 tons) and Italy (34,041 tons). Other EU countries imported 126,707 tons.

Thailand MY2015/16 rice production is revised down to 15.9 million metric tons which is a decline of 18 percent from last year. This is due to an acreage reduction in off-season rice which is adversely affected by limited irrigation availability. Rice exports totaled 9.8 million metric tons in 2015, down 11 percent from the previous year due mainly to a reduction in parboiled rice exports.

The USDA Post estimates South Africa's MY 2015/16 rice consumption to increase about 10% y/y to around 970,000 tons, due to drought reflected record corn and wheat prices. This could be good opportunity for India to export more rice to South Africa in 2015-16.

Source: Oryza

IGC Rice Balance Sheet
(Fig. In Million Tonnes)

	2012-13	2013-14	2014-15 Estimate	Forecast 29.10.15 2015-16	Forecast 21.01.2016 2015-16
Production	473	478	478	474	473
Trade	38	43	43	42	42
Consumption	469	480	484	486	486
Carryover stocks	113	11	106	94	95
Y-O-Y change	4	-2	-5		-13
Major Exporters	40	38	31	21	21

Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

IGC Rice Balance sheet Highlights

Projected global rice output is cut on slightly reduced prospects in some producers, mainly in the southern hemisphere, but, at 473m t, would be only 1% lower y/y. While the outlook for rice use is maintained, a higher figure for carry-in stocks results in a small upward revision to end-season inventories, to 94.7m t. However, this is still a drop of 12% y/y owing to depletion in key exporters. The outlook for trade in 2016 is little changed, at close to 42m t, underpinned by demand from Asian importers.

USDA & IGC Forecast the Same World Rice Production

In its January 2016 Rice Outlook report, USDA also forecasted 2015-16 global rice production (milled basis) at around 473 million tons, about 1.5% lower than last year. Disappointing crops in some producing nations – including India and Thailand, only partly offset by improved harvests elsewhere in Asia, and an expected decline in acreage as well as decline in average yields, are likely to be affected by adverse weather conditions. It forecasted 2015 global rice trade at around 42.4 million tons, down 2% from an estimated 43.2 million tons in 2014

Global Trade of Rice Unchanged from Last Month

The IGC forecasts 2015-16 global rice trade at around 42 million tons, unchanged from the previous year's 42 million tons as well as its previous estimate of around 42 million tons.

Rice Price Trend @ CBOT Mar- 16, Rough Rice) (Prices in US\$/hundredweight)



Market Analysis

The CBOT March month rough chart for rice indicates range bound movement in previous couple of day session; overall market too is in range bound trend from last week. We expect market to hover in the range USD 10.92-11.35 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
03 rd Week of February,2016	Steady	USD/ Hundred Weight 10.92-11.35

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